

**BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001**

**RATE AND SERVICE CHANGES TO
IMPLEMENT BASELINE NEGOTIATED
SERVICE AGREEMENT WITH BOOKSPAN**

DOCKET NO. MC2005-3

**REDIRECTED RESPONSE OF WITNESS POSCH TO INTERROGATORY OF
THE NEWSPAPER ASSOCIATION OF AMERICA (NNA/USPS-T1-1)**

(August 30, 2005)

Bookspan hereby provides the response of Witness Posch to Newspaper Association of America's interrogatory NNA/USPS-T1-14, filed August 11, 2005. The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

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RESPONSE OF BOOKSPAN WITNESS POSCH TO REDIRECTED
INTERROGATORY OF THE NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-T1-1: Please confirm that the declining block volume discount rate structure in this NSA applies only to letter-shaped pieces, and not flats. If you cannot confirm, please explain why not. If you confirm, please explain why the declining block volume discounts are available only for letters and not flats.

Response:

Confirmed. Bookspan's understanding is that the Postal Service did not make declining block discounts available for flats because Bookspan made it clear that the discount had to offer a sufficient incentive for the company to mail deeper into its lists, and the Postal Service made clear to Bookspan its purpose to increase its volume of Standard Mail. For Bookspan, flats are more expensive than letters to produce, and bear a higher postage rate. Therefore, Bookspan would have insisted upon a much deeper discount than the ones offered had the Postal Service proposed a declining block rate for promotional flats, and we made that clear in our discussions with the Postal Service. As a result, no offer was made to cover flats and Bookspan never asked for one. As Michelle Yorgey's testimony shows, the conversion of flats to letters had begun well before our discussions with the Postal Service concerning this NSA.